

## THE DIRECTOR OF CENTRAL INTELLIGENCE

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WASHINGTON, D. C. 20503

12 JUL 1978

Office of Legislative Counsel

Mr. James M. Frey  
Assistant Director for  
Legislative Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

This is in response to your request for the views of the Central Intelligence Agency on State Department's report on S. 2887. This bill would permit foreign embassies to operate fixed and mobile radio facilities within 50 kilometers of their embassies in accordance with prescribed Presidential regulations and on the condition that their governments grant our embassies the same privileges.

We have no objection to this bill on the condition that specific procedures be established whereby representatives of the FBI and the U.S. Intelligence Community be afforded an opportunity to make a case-by-case review of possible foreign intelligence ramifications prior to a Presidential determination to grant mobile radio privileges. The legislative history should specifically recognize that this review is to be undertaken.

Our principal purpose in requesting review procedures is based on the belief that the proposed legislation might, in some cases, provide a greater net advantage to foreign governments than the reciprocal provision of the bill would provide the U.S. For example, whereas we might have only a marginal interest in establishing a base station and a mobile radio facility in one or another Soviet-Bloc nation, that nation may, either on its own behalf or on the behalf of the Soviet Union, use a mobile radio facility in this country for the transmission of clandestine intelligence information. In such a case, we might prefer not to enter into an agreement which would essentially be to our disadvantage.

We believe that the proposed bill, with the inclusion of FBI/Intelligence Community review procedures, would serve both the stated purpose of the bill and at the same time help insure that there is adequate protection of the national security. We request that the foregoing views be presented to Congress either in the letter from the State Department or in a separate letter which we would be happy to draft. If we may be of further assistance, please so advise.

Sincerely,

SIGNED

Frederick P. Hitz  
Legislative Counsel

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